



Michigan League FOR Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

## **Testimony Before the Families, Children and Seniors House Standing Committee**

**Gilda Z. Jacobs**

**May 8, 2012**

Good morning Chairman Kurtz and members of the Committee. I am Gilda Jacobs, President & CEO of the Michigan League for Human Services. Thank you for the opportunity to speak with you today.

I am here to voice our opposition to HB 5223 which proposes to implement a drug testing program for applicants and recipients of FIP. I want to remind the committee that FIP benefits only go to families with children and children make up 70 percent of the FIP caseload. Yet, HB 5223 does not take children into account at all and would leave kids without a safety net should their parent indeed have a substance abuse problem.

It is important to note that not one drug testing program has yet to save any state money. I repeat – there are NO cost savings, at all, to be found by implementing any kind of drug testing policy. The U.S. Department of Health and Human Services analyzed the cost of drug tests among 12 states and found that not one of the state estimates showed a net savings. Consider:

- Florida actually lost more than \$10,000 a month during the four months they drug tested TANF recipients and applicants – this includes both their expenditures and any savings found in closing the cases of those that tested positive for drug use.
- Both Missouri and Arizona have suspicion-based policies similar to what HB 5223 proposes - Missouri expects to pay \$4.1 million over FY 2012 and 2013 for its drug testing program. Arizona calculated \$3.4 million for their drug testing program, which only included the initial drug test and no subsequent re-testing.

HB 5223 does not include language to assist families that have substance abuse problems so that they can achieve self-sufficiency – but makes it more difficult for those with substance abuse problems to get treatment. If the purpose is to truly help families, substance abuse needs to be treated as any other barrier to employment and treatment should be made a part of a family's self-sufficiency plan under FIP. These are outcomes that other states have created their programs to address. For example, Missouri allows families to still receive assistance if a parent tests positive and enrolls in substance abuse treatment. In the case of a parent not enrolling in treatment, the children can at least still receive benefits through a third party if a parent is found ineligible. This is a fair and humane policy.

HB 5223 singles out a program that receives less than 1 percent of the entire state budget. Why are recipients of FIP the only ones being targeted? The entire appropriation for FIP in FY12 was \$340 million dollars but the

state appropriated more than \$12 billion, billion with a “b” to more than 30,000 vendors in FY12, none of which required a drug test or screening prior to receipt. If the goal is to be a good steward of public dollars, we should be looking at vendors, not just FIP recipients.

I am afraid this bill is based on a myth which portrays the welfare recipient as making a living on the government dime and using our tax payer dollars to buy drugs. Again, HB 5223 is based on false assumptions. Consider the following:

1. People on cash assistance are NOT more likely to abuse substances than the general population.
  - When Michigan implemented a drug testing policy in 1999, it tested 435 applicants and 45 of those tested positive for drug use, about 10%. In Michigan, the rate of substance abuse in the general public is 8.95%. And, 435 people is a very small sample size. States that tested more people, found even less substance use.
  - Indiana implemented drug testing for people in their workforce training program and 13 of 1,240 job applicants failed the test and three others refused to take it.
  - Since Arizona implemented their suspicion-based drug screening program in 2009, 16 adult recipients have been required to take a drug test of the 64,000 people screened. Of those, eight refused to take the test and lost benefits, eight were tested and one failed and was disqualified.
  - During the four months Florida had a drug testing scheme, only 2.6 percent of the 7,030 applicants tested failed the drug test. An additional 40 people canceled the tests and did not take them. The testing also did not scare people away from applying. The Florida Department of Child and Family Services stated that no dampening effect was found on the caseload.
2. FIP costs are not going up, neither are caseloads. In fact, the number of people receiving cash assistance has remained remarkably stable over the past decade.
3. People do not languish on cash assistance for years at a time. Two-thirds of Michiganians that received FIP in June of FY 2011 were on the program for 12 months or less. Even before recent legislation that tightened the 48-month time limit, the average length of time a family received FIP benefits has dropped 42 percent since 2001.

Legislation should have a clear purpose, yet this bill does not seem to have one. If the goal is to save the state money, it will not. If the goal is help families become gainfully employed, it misses the mark. If it wants to end substance abuse, it will not do that either. What the bill will do is end up harming children. The League does not condone the use of illegal substances by anyone, whether they receive cash assistance or not. But, we recognize substance abuse as a medical addiction that requires treatment. We believe it should be addressed like any other barrier to a FIP family's success. The only result of this bill will be to put more children at risk and take away any financial support they may have. This should not be the end goal of any bill.

Thank you for the opportunity to address the committee on this important issue.

###



## Drug Testing: A Solution Looking for a Problem

---

### EXECUTIVE SUMMARY

---

by **Melissa K. Smith**  
Senior Policy Analyst

**M**ichigan is currently contemplating creating a drug-testing policy for recipients of cash assistance. This policy is based on the myth of widespread drug use among the cash assistance population, which is not supported by any research. The costs to implement such a test are astronomical, and there are serious constitutional issues with requiring those who receive cash assistance to submit to a drug test.

#### **Drug testing policies are very expensive and not a good use of taxpayer dollars.**

- The U.S. Department of Health and Human Services analyzed the cost of drug tests among 12 states that have a drug-screening program. Not one of the state estimates for the cost of a drug-screening program showed a net savings.

#### **People do not stay on cash assistance for long periods of time.**

- Two-thirds of Michiganians who receive FIP are on the program for 12 months or less.
- The FIP caseload has dropped 42 percent between FY 2001 and FY 2012.

#### **Substance abuse does not have a determinable effect on the employability of an individual.**

- Sixty-six percent of those with drug dependence or who abused alcohol were employed part or full time.
- A study commissioned in Florida found very little difference in employment and earnings between those who tested positive for drugs and those who tested negative in a work support program.

#### **FIP already has built-in mechanisms that discourage drug use.**

- Recipients must participate in work-related activities for 30-40 hours a week.
- The maximum monthly benefit a family of three can receive is \$492 a month, only one-third of the federal poverty level.

#### **Drug Testing Policies Are Based on Myths**

- Evidence of widespread drug use among cash assistance recipients does not exist as studies rarely find significantly greater substance abuse among recipients than that of the general population.

#### **FIP makes up less than 4 percent of the total General Fund budget but is the only program being targeted for drug testing.**

- The entire appropriation to the FIP program for FY 2012 was \$340 million. The state currently has almost \$30 billion committed to more than 11,000 contracts, none of which has drug-testing requirements.

#### **Drug testing cash assistance recipients is not the same as employer drug testing.**

- The constitution protects Americans from government intrusion, not from the intrusion of private companies where someone is seeking employment.
- People who apply for temporary government assistance should not have less constitutional protection than other Americans.

#### **A punitive drug testing policy does not help anyone.**

- Seventy percent of the FIP caseload are children.
- Withdrawing all support from an individual with a substance abuse problem will only impede their path to recovery.

